Supreme Court, U.S.
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No. 04-

IN THE

Supreme Court of the United States

NANCY WATSON, beneficiary on a life insurance policy issued to Jamie Watson,

Petitioner,

v.

UNUM LIFE INSURANCE COMPANY OF AMERICA,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

On June 9, 2000 Jamie Watson, the grandson of Nancy Watson, died in what is commonly called a single car automobile accident. At the time of the accident, Mr. Watson had a blood alcohol level of .175%. UNUM Insurance Company initially denied coverage on the ground that the policy excluded coverage if the alcohol level of the deceased exceed the level under South Carolina law that creates a presumption that the individual was under the influence. After suit was filed, UNUM abandoned its original position and denied coverage solely on the ground that Mr. Watson did not have an accident as defined by their policy. The Fourth Circuit Court of Appeals, in an unpublished opinion, agreed.

The question presented for review is:

When a person is at fault in causing an automobile wreck that results in their death, has that person died as a result of an accident as that term is commonly understood?

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Appendix A — Opinion Of The United States Court Of Appeals For The Fourth Circuit Decided March 22, 2005 ..... 1a

Appendix B — Findings Of Fact, Conclusions Of Law, And Order Dated January 30, 2003 And Filed January 31, 2003 ..... 4a

OPINIONS BELOW

The Opinion and Order of the United States District Court for the District of South Carolina is unreported and is reproduced at App. 4a. The March 22, 2004 Order of the Court of Appeals is unreported and is produced at App. 1a.

JURISDICTION

The United States Court of Appeals of Appeals entered its judgment on March 22, 2004.

The jurisdiction of the Fourth Circuit was invoked pursuant to 28 U.S.C. § 1254(1) and Supreme Court Rule 10(a) and (c) in that the United States Court of Appeals for the Fourth Circuit has decided a Federal Question involving the Employee Retirement Income Security Act (ERISA) 29 U.S.C. § 1001, *et seq.* that is in conflict with other circuits and is an important question of federal law that should be resolved by this Court.

STATUTES INVOLVED

Relevant Provisions of 29 U.S.C. § 1022 provides:

> (a) A summary plan description of any employee benefit plan shall be furnished to participants and beneficiaries as provided in section 1024(b) of this title. The summary plan description shall include the information described in subsection (b) of this section, shall be written in a manner calculated to be understood by the average plan participant, and shall be sufficiently accurate and comprehensive to reasonably apprise such participants and

beneficiaries of their rights and obligations under the plan.

* * *

(b) The summary plan description shall contain the following information: . . . the plan's requirements respecting eligibility for participation and benefits; a description of the provisions providing for nonforfeitable pension benefits; circumstances which may result in disqualification, ineligibility, or denial or loss of benefits. . . .

The relevant provisions of 29 U.S.C. § 1104 provides:

(1) Subject to sections 1103(c) and (d), 1342, and 1344 of this title, a fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and —

(A) for the exclusive purpose of:

(i) providing benefits to participants and their beneficiaries; and

(ii) defraying reasonable expenses of administering the plan;

(B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

* * * *

STATEMENT OF THE CASE

Jamie Watson was employed as a sales person with Lowe's in Greenwood, South Carolina. As an employee, he obtained an accidental death insurance policy from UNUM Insurance Company. He named his grandmother, Nancy Watson, as beneficiary.

On June 9, 2000 he was traveling near Ware Shoals, South Carolina when his automobile left the road and collided with some trees resulting in the death of Mr. Watson. Toxicology reports found that he had a blood alcohol concentration of .175%. The certificate of death listed the cause of death as "driver single car accident."

Nancy Watson filed her claim for benefits under the insurance policy on July 17, 2000. In numerous letters to Ms. Watson and her counsel, UNUM consistently referred to the death of Jamie Watson as an accident but denied coverage because of the alcohol exclusion in its policy and due to their determination that Mr. Watson did not sustain an injury due to accident.

Mrs. Watson filed her suit to recover the benefits under the policy. In her complaint, she noted that the defendant had improperly denied her claim because of the improper application of the presumption that the deceased was under the influence. In its answer, the defendant raised five defenses. The first two defenses, a general denial and a failure to state a claim, were in effect never pursued by the defendant. The third defense, failure of conditions precedent, arguably was the defense relied upon by the defendant that no accident occurred. That defense does not state that no accident occurred. The fourth and fifth defenses related to the two policy exclusions for alcohol consumption and crimes.

At the hearing before the district court judge, UNUM abandoned the defenses relating to the policy exclusions due to alcohol and the commission of a crime.

Lower court proceedings

The jurisdiction of the district court is based upon 29 U.S.C. § 1451(c). The jurisdiction of the Circuit Court is based upon 28 U.S.C. § 1291.

The district court ruled the alcohol exclusions applied notwithstanding the fact that the defendant had abandoned that position at the hearing. The district court further ruled that an "accident" had not occurred within the meaning of the policy. App. at 16a-17a.

The Fourth Circuit Court of Appeals on March 22, 2005 in an unpublished opinion affirmed the lower court's ruling on the ground that no accident had occurred as that term is defined in the policy. App. at 1a.

REASONS FOR GRANTING THE PETITION

When a person is at fault in causing an automobile wreck that results in their death, has that person died as a result of an accident as that term is commonly understood?

> What is an accident? Everyone knows what an accident is until the word comes up in court. Then it becomes a mysterious phenomenon, and in order to resolve the enigma, witnesses are summoned, experts testify, lawyers argue, treatises are consulted and even when a conclave of twelve world-knowledgeable individuals agree as to